

OTP Weekly Outlook

Next week:

- Watch the FOMC meeting on Wednesday and GDP release on Thursday
- European GDP data for Q1 will arrive on Friday

This week:

- Despite good earnings reports and macro data from the USA, major stock markets closed the week in the red
- No surprise from the ECB; PMIs mostly beat expectations; the US economy's good shape in March-April was further confirmed
- Long-term US Treasury yields and oil prices fell; the dollar weakened further

Market summary table

Indices	Last price	1 week change (%)	YTD (%)	Interest rates	Last price	1 week change (bps)	YTD (bps)	FX rates	Last price	1 week change (%)	YTD (%)	Commodity	Last price	1 week change (%)	YTD (%)
S&P500	4155.0	-0.7	10.6	US 2 year	0.16	-0.6	3.4	Dollar index	91.038	-0.6	1.2	Brent	66	-1.4	27.0
Russel 2000	2259.5	-0.1	14.4	US 10 year	1.57	-1.0	65.7	EURUSD	1.206	0.6	-1.3	WTI	62	-1.9	27.7
Stoxx 600	437.8	-1.1	9.7	DE 2 year	-0.70	0.0	1.9	USDJPY	107.93	0.8	-4.3	Gold	1773	-0.2	-6.6
DAX	15220.7	-1.5	10.9	DE 10 Year	-0.26	0.9	31.7	GBPUSD	1.385	0.1	1.3	Silver	26	-0.3	-2.0
CAC40	6242.5	-0.7	12.4	SP 10 year	0.39	0.3	35.1	AUDUSD	0.773	0.0	0.5	Palladium	2852	2.7	16.5
FTSE100	6914.6	-1.5	7.0	UK 10 year	0.75	-1.2	55.8	USDCAD	1.250	0.1	1.8	Copper	432	3.7	22.8
FTSE MIB	24310.3	-1.8	9.3	IT 10 year	0.78	3.1	23.6	USDCHF	0.916	0.4	-3.4	Steel	1358	-0.1	35.1
Nikkei 225	29020.6	-2.2	5.7	JP 10 year	0.07	-2.2	4.8	NZDUSD	0.718	0.5	-0.1	Wheat	711	9.0	11.0
CSI 300	5135.5	3.4	-1.5	CH 10 year	3.17	1.4	3.2	CNHUSD	6.491	0.5	0.2	Corn	647	10.4	33.6

Source: Bloomberg

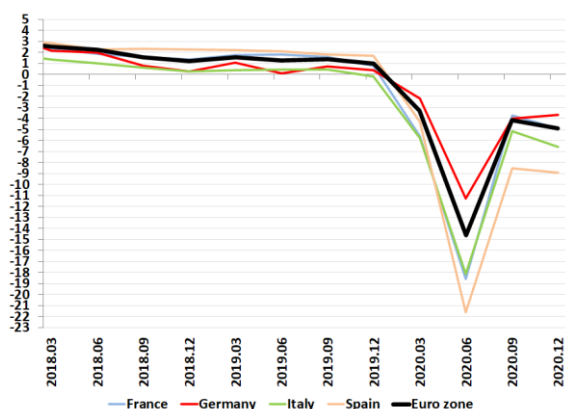
The FOMC meeting, along with US and European Q1 GDP data could be in the spotlight next week

Next week will be a really data intensive one. First, the Fed Open Market Committee (FOMC) meeting will conclude on Wednesday. Although the committee is unlikely to announce any significant policy steps, it could be important to see how decision-makers assess the recent outstanding macroeconomic data. Additionally, Thursday will bring the first release of US GDP data, which will likely show a 6-8% annualized expansion. Q1 GDP data for the eurozone and most major European economies - Germany, France, Spain- will be published on Friday. On the same day, the April gauge of the eurozone's CPI data could be also a market mover.

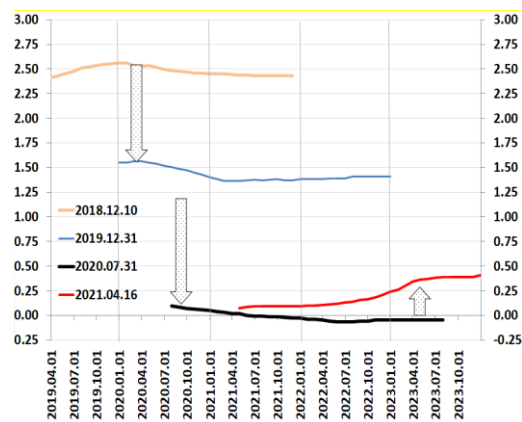
Concerning the **euro area**, the key day will be Friday, when Q1 flash GDP data will be released for the whole euro area, Germany, France, Italy, Spain, Austria, and Portugal. GDP figures for the eurozone will likely point to recession (eurozone: -0.8% QoQ), with Germany probably taking the biggest hit (-1.5%), while France could be closer to stagnation, Italy in a smaller minus (-0.4%). Retail sales fell in the whole area despite the favourable business sentiment, while industry was weakened by global semiconductor shortages. In addition, given the third wave of the pandemic, stringent lockdowns implied lacklustre service sector output. Even more, although expectations for Q2 is already some growth in the region, the eurozone is not likely to recover visibly until Q3, as things stand now. We are already well at the end of April, and severe lockdowns are present in all major economies, and a significant reopening is not in sight before the summer, given the pace of vaccination. April CPI data for the eurozone (due also on Friday), will likely indicate a further uptick in inflation (from 1.3% to 1.6%), so far driven by higher fuel prices, as reopening and the consequent broader based uptick in core inflation is out of question. Additionally, April sentiment indices will be out during the week: the *German IFO* (on Monday) and the *European Commission's Economic Sentiment indices (ESI)*, on Thursday).

In the **USA**, the conclusion of FOMC's meeting as usual, will be released on Wednesday. The meeting is unlikely to bring any major policy changes and will not be accompanied by new economic projections. But the post-meeting statement could prove to be the most positive the Fed has released in some time. We expect the statement to strike a more optimistic tone on the economic outlook, but Chair Jerome Powell is likely to emphasise in his press conference that any changes to the stance of policy are still some way off. The optimism seems to be well-grounded, as on the one hand, the pandemic seems to be under control so far. At the same time, vaccination pace is swift, reopening is well underway: the number of restaurant diners plus hotel occupancies are both on the rise, and air travel has also started to recover. In March, retail sales expanded by almost 10% MoM, and industrial growth was also solid. Together with favourable housing and labour market indicators, Q1 GDP growth could be around 6-8% (seasonally adjusted; annualized). This latter will be known by Thursday, when the flash data will be released. Additionally, the *Conference Board consumer confidence* and the *Chicago PMI*, both for April will be released.

Euro area GDP (YoY, %)



Market expectations on the Fed Funds Rate (for eop, from Fed Fund Futures, %)



Sources: Bloomberg, Refinitiv

What to watch next week

Data	Cd.	Event/Data	Period	Cons.	Prev.
2021 4. 26.	10 : 00 DE	IFO Economic sentiment index (points)	Apr	97.7	96.6
	12 : 00 IL	Industrial production (MoM, %)	Feb		-0.5
	14 : 30 US	Durable goods orders (MoM, %)	Mar	2.5	-1.2
27.	5 : 00 JP	Interest rate decision (%)	Apr	-0.1	-0.1
	10 : 00 IT	Consumer confidence (point)	Apr		100.9
	15 : 00 US	Case-Shiller Home Price Index (YoY, %)	Feb	11.8	11.1
	16 : 00 US	Consumer confidence (point)	Apr	112.0	109.7
28.	20 : 00 US	Interest rate decision (%)	Apr	0-0,25	0-0,25
29.	11 : 00 EZ	EC Economic Sentiment Index (points)	Apr	103.0	101.0
	14 : 00 DE	CPI (preliminary, YoY, %)	Apr	1.8	1.7
	14 : 30 US	GDP (preliminary, annualized QoQ, %)	Q1	6.5	4.3
	14 : 30 US	Initial jobless claims ('000s)	weekly	560.0	547.0
	14 : 30 US	Continuing jobless claims ('000s)	weekly		3674.0
	16 : 00 US	Pending home sales (MoM, %)	Mar	3.5	-10.6
30.	3 : 00 CN	NBS Non-manufacturing PMI (points)	Apr		56.3
	3 : 00 CN	NBS Manufacturing PMI (points)	Apr		51.9
	7 : 30 FR	GDP (preliminary, QoQ, SA, %)	Q1	0.0	-1.4
	8 : 00 DE	GDP (preliminary, QoQ, SA, %)	Q1	-1.5	0.3
	8 : 00 DE	GDP (preliminary, YoY, %)	Q1		-2.7
	9 : 00 CZ	GDP (preliminary, QoQ, SA, %)	Q1		0.6
	9 : 00 ES	GDP (preliminary, QoQ, SA, %)	Q1	-0.4	0.0
	9 : 00 ES	Retail sales (YoY, %)	Mar		-5.9
	9 : 00 IT	Unemployment rate (%)	Mar		10.2
	9 : 00 AT	GDP (preliminary, QoQ, SA, %)	Q1		-2.7
	10 : 00 IT	GDP (preliminary, QoQ, SA, %)	Q1	-0.4	-1.9
	10 : 30 PT	GDP (preliminary, QoQ, SA, %)	Q1		0.2
	11 : 00 EZ	GDP (preliminary, QoQ, SA, %)	Q1	-0.8	-0.7
	11 : 00 EZ	GDP (preliminary, YoY, %)	Q1	-1.9	-4.9
	11 : 00 EZ	CPI (flash, YoY, %)	Apr	1.6	1.3
	11 : 00 EZ	Core CPI (flash, YoY, %)	Apr	0.9	0.9
	11 : 00 EZ	Unemployment rate (%)	Mar	8.3	8.3
	14 : 30 US	Personal income (MoM, %)	Mar	20.3	-7.1

Despite good earnings reports and macro data from the USA, major stock markets closed the week in the red

Despite favourable macro data (PMIs, US leading index, UK retail sales), European and US stock markets declined on weekly basis, as investors' concern increased due to the renewed wave of the pandemic, in particular in the emerging world, which clouds the global outlook. Further to this, investors did not appreciate President Biden's new tax initiative to increase the marginal rate of capital gains tax to 39.6%, compared to a current base rate of 20%. Long-term yields slightly dropped in the US but increased on the other side of the Atlantic. This latter might reflect, the ECB's hesitancy to step up asset purchases more significantly. Given the negative sentiment, while oil prices fell. The decline in US yields compared to Europe led to weakening USD.

Pandemic situation: the virus seems to be under control in the USA and Europe, but new infection jumped alarmingly in some large emerging markets

The number of daily new covid cases stagnated in the USA. Canada reported a quick surge in the same metric, and even overtook the USA, in per capita terms. In Western Europe, the growth of the infection rate halted. The daily new cases per population figure was the worst in Sweden, the Netherlands and France in the region. Italy and France suffered from the highest deaths per population in the same area. In the CEE region, most countries showed a decline in daily new case counts, but most countries still suffer from relatively high infection rates. An alarming jump in daily new cases was reported from India and Turkey.

Israel is still leading in vaccinations, 61% of the population received at least one dose. This rate is 51% for the UAE, 48% for the UK, 40% in the USA and Chile, and 34% in Hungary, and 26% in Serbia. Most Western European countries administered at least one dose to 17-20% of their population, while about 6-8% is considered fully vaccinated in most areas. Israel fully vaccinated 58% of its population, the same measure is 39% for the UAE, 29% for Chile, 25% for the USA, 15% for the UK and Hungary.

Both European and US indices declined somewhat in weekly comparison by Friday afternoon

In **Europe**, the *STOXX600* stood at -1.1% on Friday afternoon. Individual country indices grew to different degrees: *DAX*: -1.5%, *CAC40*: -0.7%, *FTSE100*: -1.5%. *FTSE MIB*: -1.8%. Banks and financial services (-3.5% both) and auto parts (-3.3%) showed the weakest performance, while food and technology (both 0.6%) and health (0.4%) could grow minimally.

In the **USA**, the *S&P* stood at -0.7% by Friday afternoon while the small-cap index *Russell 2000* at -0.1%. Given that the sentiment improved today so far, there is a chance that finally the US market will compensate the losses accumulated during the week. Consumer discretionary (-1.8%) and energy (-1.7%) showed the biggest decline, while real estate (1.7%) and health care (1.1%) could grow.

Long-term US yields fell, European ones increased slightly, oil prices fell; the dollar weakened

Long-term *US Treasury yields* declined slightly, by around 1 basis points since last Friday, falling below 1.6%. In contrast, the *German 10Y Bund yield* increased by a meagre 1 bps, to -0.26%, while long-term yields in other European countries went up by 0-3 bps. The *dollar* weakened by around half percent against major currencies, on account of the decrease in the yield differential. *Oil prices* fell by roughly 1.5-2% in weekly terms as the sentiment on the global economy was not outstanding during the week.

No surprise from the ECB, PMIs mostly beat expectations; the US economy's good shape in March-April was further confirmed

In the **euro area**, the *ECB* left the interest rates unchanged on Thursday, as expected, and no new policy measures were announced. Instead, much of the attention in the run-up to the meeting was on the underwhelming increase in asset purchases since the meeting in March, when the Bank said that it would increase its bond-buying 'significantly' over the coming quarter. Christine Lagarde did not seem to care significantly about the recent rise in bond yields or the evidence of tighter bank lending conditions. She insisted that there has been a significant increase in asset purchases, and stated that bond buying would continue at this higher pace over the rest of the quarter. Still, data suggest that net weekly PEPP purchases have risen from an average of EUR 14.4bn to only EUR 18.3bn¹, at the same time, bond yields climbed by 3-18 bps. This is a relatively moderate amount, however, given the deterioration in the economic outlook in the eurozone, this is hardly what monetary policy wanted to achieve.

The batch of *PMIs* released on Friday mostly beat initial expectations. The manufacturing component remained at historic high level, in the euro area, the indicator even edged up to 63.4 points (consensus: 62, previous 62.5) driven by extremely good performance in Germany. At the same time, the service component slightly exceeded the expansion mark, with 50.3 points, for the first time since last August. Still one should not read too much into these indicators, as recently their predictive power weakened substantially. Despite historic high manufacturing PMIs, manufacturing production actually fell in February, while given the still stringent lockdowns, the eurozone's service sector is unlikely to recover in April.

Meanwhile, the German constitutional court's decision not to block the *Next Generation EU fund* means that the European Commission (EC) could begin to disburse funds by July.

In the **UK**, March *retail sales* significantly surprised to the upside (5.4% MoM, consensus 1.5%, previous 2.2%) as the pandemic was brought under control and easing of restrictions has started. Moreover, both manufacturing and service *PMIs* improved significantly for April. The service component jumped from 56.3 to 60.1 points, visibly outperforming the already strong expectations (59 points), while the manufacturing component improved to 60.7

¹ Source: Capital Economics.

points from 58.9 (consensus: 59 points). At the same time, March inflation, at 0.7% increased less than expected.

As for the **USA**, the scarce macro data, which came out suggest an uninterrupted strong recovery. The *leading index*, at 1.3% MoM for March, is well above the 0.2% in February, and even the consensus (1.0%). *Weekly initial unemployment claims* were well below expectations for the second week in a row, while *Markit PMI-s* for April posted outstanding values (manufacturing 60.6, services: 63.1), and *new home sales* also jumped sharply (from 846 to 1021 thousand at an annualized pace).

In the emerging world, **Russia's** central bank surprised the market by delivering a 50 bps hike, while the consensus was a 25 bps increase. Furthermore, the central bank has started to communicate interest rate projections which suggests further hikes. The interesting point in the Russian story is -apart from the usual geopolitical uncertainties -, that it highlights the possibility of a significant upside surprise in inflation after reopening. Russia avoided - at least so far - a third wave of the pandemic, and there was no stringent lockdown measures during the winter, while from the spring, loosening measures were applied. The country is on par in terms of stringency with Israel, while March GDP was already in a small YoY plus. At the same time in March-April underlying inflation seemed to have jumped to around 9-10% due to supply constraints amidst the reopening. The persistence of inflation spike during reopening could be an issue in other emerging countries as well.

Sectoral performance in the USA and Europe

Performance of US sectors					Performance of Europe's sectors				
Sector	Bloomberg ticker	Last price	1 week change (%)	YTD (%)	Sector	Bloomberg ticker	Last price	1 week change (%)	YTD (%)
S&P500	SPX Index	4155.0	-0.7	10.6	Stoxx 600	SXXP Index	437.8	-1.1	9.7
IT	S5INFT Index	2490.0	-1.1	8.7	Health care	SXDP Index	912.1	0.4	3.8
Health care	S5HLTH Index	1430.9	1.1	8.1	Industrial goods & services	SXNP Index	712.4	-1.0	13.3
Financials	S5FINL Index	583.5	-0.8	19.0	Banks	SX7P Index	125.0	-3.5	15.5
Telco	S5TELS Index	248.4	-1.4	11.9	Personal & households goods	SXQP Index	1000.4	-1.6	7.2
Consumer discretionary	S5COND Index	1413.7	-1.8	8.5	Insurance	SXIP Index	304.4	-2.6	9.0
Industrials	S5INDU Index	853.6	-0.2	13.9	Food and beverages	SX3P Index	760.1	0.6	6.3
Consumer staples	S5CONS Index	711.5	-0.8	2.2	Technology	SX8P Index	710.0	0.6	17.6
Utilities	S5UTIL Index	338.1	-1.0	6.0	Utilities	SX6P Index	390.2	-0.1	1.6
Energy	S5ENRS Index	359.1	-1.7	25.5	Oil & gas	SXEP Index	250.0	-2.2	5.8
Real estate	S5RLST Index	263.1	1.7	15.5	Chemicals	SX4P Index	1222.3	-0.8	9.7
Materials	S5MATR Index	516.9	-0.4	13.4	Construction & materials	SXOP Index	564.2	-1.4	14.5
Source: Bloomberg					Telco	SXKP Index	225.6	-0.7	9.7
					Retail	SXRP Index	445.1	0.1	12.4
					Financial services	SXFP Index	652.0	-3.5	7.5
					Basic resources	SXPP Index	598.1	-0.9	19.8
					Real estate	SX86P Index	174.5	-1.0	2.1
					Auto & parts	SXAP Index	639.9	-3.3	21.4
					Media	SXMP Index	321.7	-1.0	13.6
					Travel & leisure	SXTP Index	270.2	-1.2	20.5

Source: Bloomberg

Performance of the regional stock indices

Name		Performance					Valuation***			Fundamentals				
Country	Index	Last Price	1M change (%)	3M change (%)	6M change (%)	12M change (%)	P/E*	P/B	P/S	ROE (%)	Current Ratio	Debt to equity (%)	Change in EPS growth in the last 4 week (%)	Change in EPS growth in the last 3 month (%)
USA	SPX Index	4155	6.3	8.2	19.9	48.5	32.1	4.5	3.1	11.5	1.4	121.8	4.6	6.6
Europe	SXXP Index	438	3.4	7.2	20.8	31.4	49.4	2.1	1.6	5.4	1.1	176.0	0.5	6.4
Germany	DAX Index	15221	3.8	9.7	20.4	44.8	49.4	1.9	1.2	4.6	1.2	130.5	29.7	6.5
France	CAC Index	6242	5.0	12.3	27.1	40.2	56.6	1.9	1.4	3.1	1.1	192.3	8.6	9.0
Poland	WIG20 Index	1974	2.6	1.1	20.0	21.4	21.9	1.2	1.0	4.7	1.1	59.1	3.7	5.0
Czechia	PX Index	1088	-0.1	3.7	26.0	27.2	21.6	1.3	1.6	6.0	1.1	143.6	-0.1	0.8
Hungary	BUX Index	42847	-1.7	-1.8	27.3	30.6	20.8	1.0	0.9	5.1	1.1	54.8	134.6	8.7
Romania	BET Index	11193	3.0	8.3	27.3	41.3	12.3	1.1	1.5	9.6	1.5	33.1	-3.5	40.2
Bulgaria	SOFIX Index	520	5.5	3.5	21.7	17.5	18.4	0.6	0.8	2.8		64.6		
Russia	IMOEX Index	3589	3.5	6.1	27.4	38.1	20.4	1.2	1.4	6.0	1.4	55.9	28.8	17.5
Ukraine	PFTS Index	527	2.0	5.7	5.3	5.4		1.7	1.0	-1.1		2.5		
Slovenia	SBITOP Index	1052	6.8	12.1	27.8	35.4	8.6	1.0	0.6	11.3	1.7	27.4		
Croatia	CRO Index	1887	1.3	5.2	17.9	20.8	48.3	1.0	1.1	2.2	1.3	53.4		
Serbia	BELEX15 Index	770	4.1	5.0	11.1	13.3	14.0	0.6	0.8	5.1	1.7	20.5		
Montenegro	MNSE10 Index	762	4.2	5.1	18.3	15.2	15.2	0.3	1.1	2.1	2.3	13.8		

*Price to earnings (P/E) ratio is calculated with the 12M trailing EPS in the denominator.

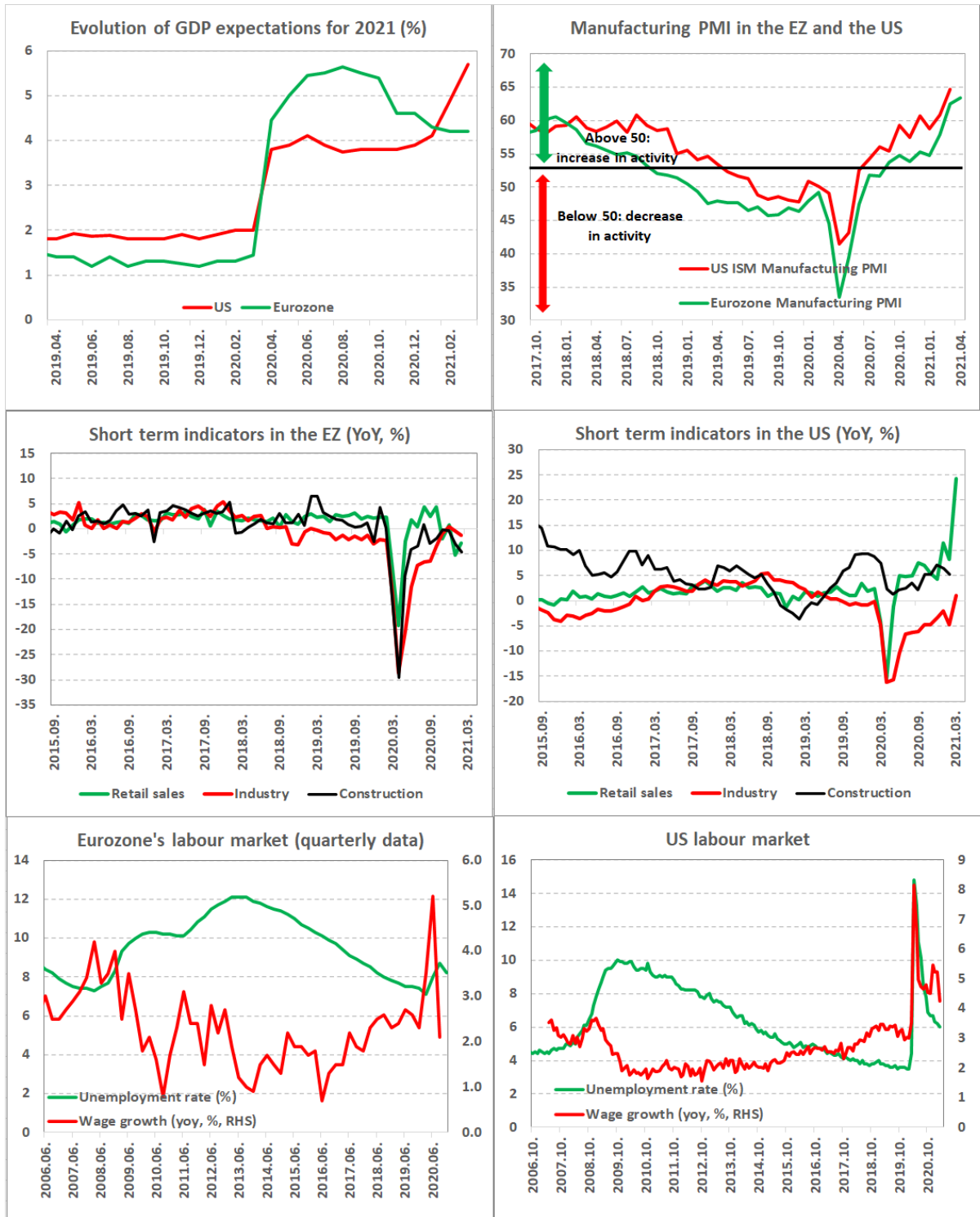
***Some of the country indices could be sector heavy (only a handful industry comprise the majority of the indices).

***therefore direct comparison of valuation metrics alone could be misleading.

This week's data

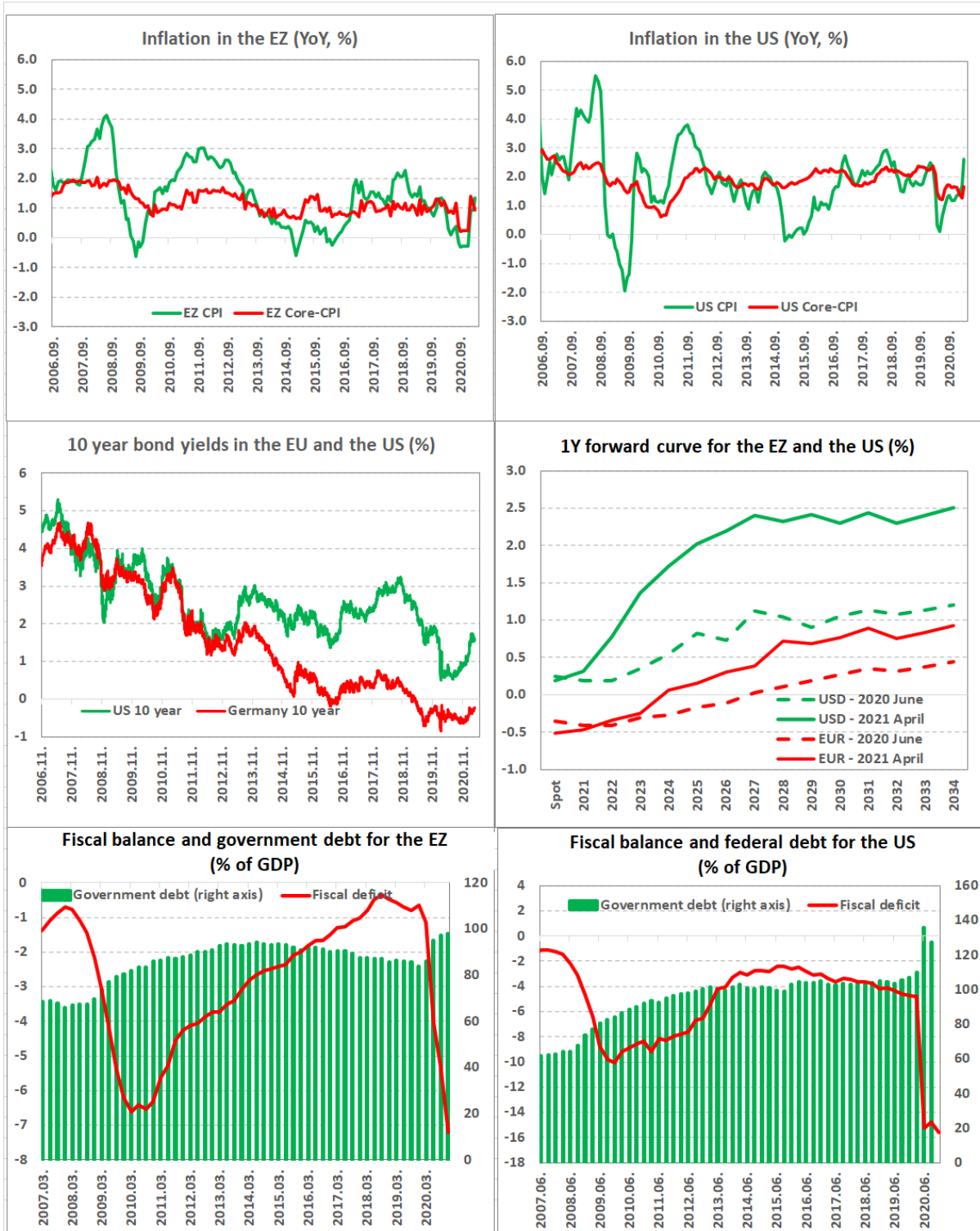
Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2021 4. 20. 8 : 00	UK	Unemployment rate (%)	Feb	4.9	5.1	5.0
21. 8 : 00	UK	Inflation (YoY, %)	Mar	0.7	0.8	0.4
16 : 00	CA	Interest rate decision (%)	Apr	0.3	0.25	0.25
22. 13 : 45	EZ	Interest rate decision (lending rate, %)	Apr	0.0	0.0	0.0
13 : 45	EZ	Interest rate decision (deposit rate, %)	Apr	-0.5	-0.5	-0.5
14 : 30	US	Initial jobless claims ('000s)	weekly	547	617	576
14 : 30	US	Continuing jobless claims ('000s)	weekly	3674.0	3667	3731
16 : 00	US	Existing home sales (annualized monthly, '000s)	Mar	6010.0	6190	6220
16 : 00	US	Leading index (MoM, %)	Mar	1.3	1.0	0.2
17 : 00	EZ	Consumer confidence (point)	Apr	-8.1	-10.8	-10.8
23. 1 : 30	JP	core-CPI (YoY, %)	Mar	-0.1	-0.1	-0.4
1 : 30	JP	CPI (YoY, %)	Mar	-0.2		-0.4
8 : 00	UK	Retail sales (MoM, %)	Mar	5.4	1.5	2.2
9 : 15	FR	Markit Manufacturing PMI (points)	Apr	59.2	59.0	59.3
9 : 15	FR	Markit Service PMI (points)	Apr	50.4	46.5	48.2
9 : 30	DE	Markit Manufacturing PMI (points)	Apr	66.4	65.8	66.6
9 : 30	DE	Markit Service PMI (points)	Apr	50.1	50.8	51.5
10 : 00	EZ	Markit Manufacturing PMI (points)	Apr	63.4	62.0	62.5
10 : 00	EZ	Markit Service PMI (points)	Apr	50.3	49.1	49.6
10 : 30	UK	Manufacturing PMI (points)	Apr	60.7	59.0	58.9
10 : 30	UK	Service PMI (points)	Apr	60.1	59.0	56.3
15 : 45	US	Markit Manufacturing PMI (points)	Apr	60.6	60.5	59.1
15 : 45	US	Markit Service PMI (points)	Apr	63.1	61.9	60.4
16 : 00	US	New home sales (annualized monthly, '000s)	Mar	1021.0	886	846

Eurozone and US chart set



Source: Refinitiv

Eurozone and US chart set



Source: Refinitiv

FX forecast for the majors

FX pair	2020.Q2	2020.Q3	2020.Q4	2021.Q1	2021.Q2	2021.Q3	2021.Q4	2022.Q4	2023.Q4	2024.Q4
EURUSD	1.09	1.18	1.19	1.21	1.19	1.21	1.22	1.23	1.20	1.22
EURGBP	0.89	0.91	0.90	0.88	0.86	0.86	0.85	0.85	0.83	0.84
EURCHF	1.06	1.08	1.08	1.08	1.10	1.11	1.12	1.14	1.15	1.16
USDJPY	107.0	106.0	104.0	104.0	108.0	108.0	108.0	108.0	110.5	107.0

Source: Bloomberg

Regional macro forecast

Countries	GDP (yoy, %)					Countries	Fiscal balance (% of GDP)				
	2020	OTP		Focus Economics			2020	OTP		Focus Economics	
		2021	2022	2021	2022			2021	2022	2021	2022
Hungary	-5.0	4.9	6.1	4.5	4.8	Hungary	-8.8	-6.4	-3.8	-6.0	-4.2
Romania	-3.9	5.5	4.7	4.9	4.6	Romania	-9.6	-8.2	-6.5	-7.5	-5.7
Bulgaria	-4.2	3.4	4.3	3.4	3.9	Bulgaria	-3.2	-3.1	-1.5	-3.4	-2.0
Russia	-3.1	4.0	3.5	3.1	2.6	Russia	-3.8	-2.6	-1.2	-1.5	-0.5
Ukraine	-4.0	4.2	4.5	4.3	3.8	Ukraine	-5.3	-6.0	-4.0	-4.9	-3.1
Slovenia	-5.5	4.8	5.1	4.5	4.1	Slovenia	-8.1	-3.6	-2.8	-5.2	-3.4
Croatia	-8.4	5.5	6.1	4.8	4.6	Croatia	-7.7	-5.5	-3.0	-4.1	-3.0
Serbia	-1.0	5.0	4.4	4.7	4.3	Serbia	-8.1	-7.0	-1.5	-3.6	-1.9
Montenegro	-15.2	4.4	7.8	6.4	4.9	Montenegro	-10.0	-6.2	-2.5	-5.6	-3.2
Albania	-3.3	5.5	4.1	5.1	4.7	Albania	-6.9	-7.0	-3.0	-5.8	-3.9
Moldova	-7.0	4.9	7.5	4.5	4.9	Moldova	-5.3	-5.0	-4.0	-4.9	-3.5

Countries	Inflation (average (yoy), %)					Countries	Unemployment (%)				
	2020	OTP		Focus Economics			2020	OTP		Focus Economics	
		2021	2022	2021	2022			2021	2022	2021	2022
Hungary	3.3	3.4	3.4	3.5	3.2	Hungary	4.1	4.0	3.7	4.4	4.0
Romania	2.6	3.4	3.0	3.1	2.7	Romania	5.0	4.7	4.0	5.4	5.1
Bulgaria	1.7	1.8	2.1	1.8	2.2	Bulgaria	5.1	5.0	4.7	5.4	5.0
Russia	3.4	5.6	4.4	4.7	3.8	Russia	5.8	5.0	4.0	5.5	5.0
Ukraine	2.7	6.4	5.7	7.0	5.8	Ukraine	9.5	9.2	8.3	9.2	8.5
Slovenia	-0.3	1.0	1.7	1.0	1.5	Slovenia	4.9	4.7	4.5	5.2	4.8
Croatia	0.1	1.6	1.4	1.0	1.5	Croatia	7.5	7.0	6.0	8.8	7.9
Serbia	1.6	1.9	2.2	1.9	2.3	Serbia	9.0	9.7	9.0	9.7	9.3
Montenegro	-0.3	0.9	1.3	1.0	1.4	Montenegro	17.0	17.5	16.5	16.2	15.5
Albania	1.6	1.8	2.0	2.1	2.6	Albania	11.7	10.8	10.1	12.3	11.4
Moldova	3.8	3.2	3.5	3.2	4.5	Moldova	3.8	5.3	5.8	4.6	4.0

Source: Focus Economics, OTP Research Center

FX forecast for the OTP countries

Country	FX pair	2020.Q4	2021.Q1	2021.Q2	2021.Q3	2021.Q4	2022.Q1	2022.Q2	2022.Q3	2022.Q4
Hungary	EURHUF (eop)	363.0	362.0	361.0	361.0	361.0	361.0	361.0	361.0	361.0
Romania	EURRON (eop)	4.87	4.93	4.91	4.91	4.93	4.96	4.97	4.97	4.98
Russia	USDRUB (eop)	73.9	75.7	73.0	72.4	71.2	71.5	71.4	71.5	71.8
Ukraine	USDUAH (eop)	28.34	27.85	27.80	28.16	28.60	28.73	28.76	28.94	29.23
Croatia	EURHRK (eop)	7.6	7.6	7.6	7.6	7.5	7.5	7.5	7.5	7.5
Serbia	EURRSD (eop)	118.0	118.0	118.0	118.0	118.0	118.0	118.0	118.0	118.0
Montenegro	EURUSD (eop)	1.22	1.18	1.20	1.21	1.22	1.22	1.23	1.23	1.23

*Slovenia and Montenegro uses EUR as a base currency.

**No forecast available for Moldova and Albania

Source: Focus Economics

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